

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 10, 2009

TO: Honorable Jane Nelson, Chair, Senate Committee on Health & Human Services

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: SB526 by Nelson (Relating to grants for federally qualified health centers.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for SB526, Committee Report 1st House, Substituted: a negative impact of (\$10,000,000) through the biennium ending August 31, 2011.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

| Fiscal Year | Probable Net Positive/(Negative) Impact to General Revenue Related Funds |
|--------------------|---|
| 2010 | (\$5,000,000) |
| 2011 | (\$5,000,000) |
| 2012 | (\$5,000,000) |
| 2013 | (\$5,000,000) |
| 2014 | (\$5,000,000) |

All Funds, Five-Year Impact:

| Fiscal Year | Probable (Cost) from General Revenue Fund 1 |
|--------------------|--|
| 2010 | (\$5,000,000) |
| 2011 | (\$5,000,000) |
| 2012 | (\$5,000,000) |
| 2013 | (\$5,000,000) |
| 2014 | (\$5,000,000) |

Fiscal Analysis

Section 1 of the bill would amend Section 31.017 of the Health and Safety Code by making permanent the current authority of the Department of State Health Services (DSHS) to make grants to establish federally qualified health centers (FQHCs), expand existing FQHCs, or support new or expanded services at facilities that can qualify as FQHCs. This authority would otherwise expire on September 1, 2009.

The bill would take effect August 31, 2009.

Methodology

This analysis assumes yearly grant amounts currently included in Senate Bill 1, Eighty-first Legislature, Regular Session (\$5.0 million per fiscal year). These funds are included in the Department of State Health Services (DSHS) bill pattern, strategy B.3.2, Federally Qualified Health Center (FQHC) Infrastructure Grants. If services were expanded beyond this level, it would increase expenditures and would require an additional appropriation.

According to DSHS, the administrative costs for the FQHC grant program were \$148,895 in fiscal year 2008. The budgeted fiscal year 2009 amount is approximately \$169,000. It is assumed that these administrative costs would continue in fiscal years 2010 through 2014 but are not included in the table above.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 529 Health and Human Services Commission, 537 State Health Services, Department of
LBB Staff: JOB, CL, PP, VJC, MB